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SUBJECT: DELHI DIARY, MAY 31-JUNE 6

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Classified By: PolCouns Ted Osius for Reasons 1.4 (B,D)

¶1. (U) Below is a compilation of political highlights from Embassy New Delhi for May 31-June 6, 2007 that did not feature in our other reporting, including:

- Mayawati Escapes the Noose
- Bhutan Now Has Four Political Parties
- Bhutan Reaffirms Support for "One China" Policy

Mayawati Escapes the Noose

¶2. (C) On June 5, Uttar Pradesh (UP) governor TV Rajeswar did not "sanction" efforts by the Central Bureau of Investigation (CBI) to determine what role UP Chief Minister (CM) Mayawati and her then-Irrigation Minister Naseemuddin Siddiqui played in the "Taj Corridor case." Mayawati's previous tenure as CM came to an abrupt end in 2003, when her coalition partner, the Bharatiya Janata Party (BJP), accused her and her inner circle of accepting large kickbacks from contractors involved in the ill-conceived "Taj Corridor scheme." The project was an attempt at erecting a tourist complex that would cash in on the world heritage site. Mayawati tried to ram through the project without heeding environmental and other laws. The possibility of prosecution on corruption charges has hung over Mayawati's head like the sword of Damocles ever since 2003. Rajeswar's move kills the case and removes this threat. There was considerable speculation that Congress and the Bahujan Samaj Party (BSP) could work out a mutually beneficial deal should Mayawati win the UP elections, and that dismissal of corruption charges would be part of the package. Political insiders view the end of the Taj Corridor case as a quid pro quo requiring Mayawati to support Congress and the United Progressive Alliance (UPA) in New Delhi in exchange for her virtual amnesty from prosecution.

¶3. (C) Mayawati held a press conference in Lucknow as soon as the investigation was squelched. She claimed that the UPA

action has "vindicated" her and proves her protestations of innocence. She blamed the BJP for her troubles, claiming that the Taj Corridor case was never anything more than a political witch hunt. Not coincidentally, she ended the press conference by noting that the BSP will announce its choice for President of India "in the next few days." Mayawati's major domo and BSP General Secretary Satish Mishra subsequently denied any connection between the end of the Taj Corridor case and the impending Presidential announcement, but most will dismiss these denials as nothing more than political drama. Now that Mayawati is on board, Congress will have a much easier time pushing forward its candidate (yet to be announced) for President. Congress should find BSP support in New Delhi very useful in other ways in the years ahead.

Bhutan Now Has Four Political Parties

¶4. (U) Bhutan,s national news source Kuensel reported June 1 that a fourth political party has announced it will be forming this week, though it has not yet decided on a name or platform. There is only one month left for political parties to register to participate in the 2008 elections, and the emergence of a fourth offers the citizens of Bhutan more variety of positions among differing parties.

¶5. (U) Other parties that have registered thus far are: the People,s Democratic Party (PDP), the Bhutan People,s United Party (BPUP), and the Bhutan National Party (BNP).

Bhutan Reaffirms Support for "One China" Policy

¶6. (U) Xinhua news reported June 4 that Chinese Foreign

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Minister Yang Jiechi stated that China is willing to strengthen bilateral ties with Bhutan by enhancing cooperation and exchanges. Yang made the statement while meeting with Bhutan,s Minister for Information and Communication Lekhi Dorji on the sidelines of the Asia Cooperation Dialogue in Seoul. Xinhua reported that Dorji expressed Bhutan,s support for the "One China" policy, and Yang thanked Bhutan for its support on China,s position towards Taiwan and Tibet. Dorji reportedly added that he "hoped the China-Bhutan border could remain peaceful and stable."

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